



Fairfax County Internal Audit Office

Department of Public Works & Environmental Services
Capital Facilities
Business Process Audit
Final Report

October 2016

"promoting efficient & effective local government"

Executive Summary

We performed a business process audit covering procurement and reconciliation within the Department of Public Works and Environmental Services (DPWES) Capital Facilities Division (CAP). The audit included review of procurement cards, FOCUS marketplace cards, purchase orders, non-purchase orders, value line purchase order payments, monthly reconciliations, and an accounts receivable questionnaire.

We found that the department had effective procedures and internal controls in place for the handling of purchasing functions, and transactions had adequate evidence of compliance with county policy. Reconciliations were independently performed and were completed in a timely manner. We commend the Capital Facilities Division on having adequate controls over the business processes reviewed during our audit.

Scope and Objectives

This audit was performed as part of our fiscal year 2017 Annual Audit Plan and was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our audit objectives were to review the DPWES Capital Facilities Division's compliance with county policies for purchasing processes and financial reconciliation. We performed audit tests to determine internal controls were working as intended and transactions were reasonable and did not appear to be fraudulent.

The audit population included transactions from procurement cards, FOCUS marketplace cards, purchase orders and non-purchase orders that occurred during the period of August 1, 2015, through July 31, 2016. For that period, the department's purchases were \$134,107 for procurement cards, \$40,508 for FOCUS marketplace, \$1,607,665 for purchase orders, and \$85,999,524 for non-purchase order payments.

Methodology

Audit methodology included a review of the department's business process procedures with analysis of related internal controls. Our audit approach included an examination of expenditures, records and statements; interviews of appropriate employees; and a review of internal manuals and procedures. We evaluated the processes for compliance with county policies and procedures. Information was extracted from the FOCUS and PaymentNet systems for sampling and verification to source documentation during the audit.